

# Energy Redress Scheme consultation

## Community Energy England response

### Introduction to Community Energy England

1. This is a response by Community Energy England which represents 270+ community energy groups and associated organisations across England involved in the delivery of community-based energy projects that range from the generation of renewable electricity and heat, to the energy efficiency retrofit of buildings, to helping households combat fuel poverty.
2. Our vision is of strong, well informed and capable communities, able to take advantage of their renewable energy resources and address their energy issues in a way that builds a more localised, democratic and sustainable energy system.
3. Community energy refers to the delivery of community led renewable energy, energy demand reduction and energy supply projects, whether wholly owned and/or controlled by communities or through partnership with commercial or public sector partners.
4. The overwhelming motivation of people and groups involved in community energy is to make a contribution to averting climate catastrophe, followed by a desire to bring community benefit.
5. We feel that all efforts of government should share these primary motivations and ensure that whatever else they achieve they also prioritise these goals. Failure to do so is to plan to fail.

### Consultation questions

#### 1. The types of projects

##### **Question 1. Do you consider the funding split between the Main Fund, Innovation Fund and Decarbonisation Fund to be appropriate?**

Yes. In the light of our response to Q5 requesting that appropriately constituted community groups be eligible for the fund we would like some flexibility on which fund they can apply for. All community energy projects are primarily focused on decarbonisation and social benefit especially for vulnerable customers and many are highly innovative. For instance, Repowering London's CommUNITY innovation project<sup>1</sup> to supply cheaper electricity to social housing residents living underneath one of their solar arrays and enabling those residents to trade any of their allocation that they don't use with other residents, should be able to apply under either innovation or vulnerable consumers, if no innovation funding is left.

**Question 2. Do you consider the proportionate funding split between vulnerable consumers and all energy consumers to be appropriate? i.e. 70% to vulnerable consumers and a total of 30% to all energy consumers.**

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<sup>1</sup> <https://www.repowering.org.uk/fuel-poverty-2/>

Yes. We would like the proportions to be reviewed frequently. Perhaps projects applying to the 30% funds that will especially benefit more vulnerable consumers could be prioritised or preferred for funding.

## **2. Widening the eligibility scope to other organisations**

**Question 5. What are your views on expanding the applicant scope beyond charities and organisations that partner with charities? If you think the scope should be expanded, do you have any suggestions for how eligibility should be defined? (e.g. what legal structures/status should qualify? Should there be other qualifying criteria?)**

The eligibility of the Energy Redress Scheme should be expanded beyond charities to appropriately constituted and asset-locked community energy organisations. These should include Community Benefit Societies, Cooperatives and Community Interest Companies working on community energy, energy efficiency and fuel poverty. Community energy organisations are mostly not-for-profit with charitable or community aims and asset locks on their funds and assets.

The overwhelming motivation of people and groups involved in community energy is to make a contribution to averting climate catastrophe, followed by a desire to bring community benefit. As a result many have a strong focus on energy efficiency and remediating fuel poverty which they do very successfully, despite there being no revenue-generating business model to support the work. It is generally funded by revenues from other energy projects combined with grants and is supported to a large extent by the work of dedicated volunteers.

In 2014, a DECC commissioned study by Forum for the Future calculated that community energy groups were 4-5 times more effective at engaging people in energy efficiency than commercial operators<sup>2</sup>.

In 2019, 102 community energy organisations in England and Wales engaged in energy efficiency and fuel poverty work as a core activity. They supported 22,000 community members, 415 businesses and 380 public institutions, to improve energy efficiency and reduce energy use; 9,155 energy efficiency services were provided and 3,649 energy efficiency improvements were installed.

This included over 3,000 local people and SMEs engaged by Bristol Energy Cooperative to conduct whole house low carbon retrofit surveys. Plymouth Energy Community provided energy efficiency services to over 2,800 local households, supporting tariff switching, reducing fuel debts and supporting vulnerable customers to access benefit entitlements, including dedicated support via over 1,300 one-to-one home visits.

Community organisations offered a range of energy efficiency supporting and enabling services, helping community members to understand and deliver improvements. Services included conducting energy audits, carbon footprinting, energy performance certification (EPC), energy switching and support towards obtaining funding for energy efficiency work.

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<sup>2</sup>

<https://www.dropbox.com/s/u2wzf9ouw11wn1v/DECC%20community%20groups%20and%20energy%20efficiency%20report%20FINAL%20DRAFT%20as%20sent.docx?dl=0>

Community organisations can deliver low carbon change through a variety of means, including community engagement and education, provision of efficiency services, direct improvements and upgrades, and through grants or loans for energy efficiency works.

Since 2016, community organisations have engaged 234,000 community members, providing nearly 28,000 energy efficiency improvements or upgrades.<sup>3</sup>

A recent Bristol University study of the work of South East London Community Energy and Energise Sussex Coast made a conservative calculation of a 9:1 Social Return on Investment.<sup>4</sup>

We think these activities are worthy of direct funding from the Energy Redress Fund which would enable community energy organisations to be even more effective at delivering benefit to vulnerable customers, already a primary focus of our work.

### **Partnering with charities**

Some of our members have partnered with charities to receive Energy Redress Scheme funding but feedback has been that whilst this has sometimes extended the reach of the energy efficiency/fuel poverty project it has added greatly to the burden of administration as partner charities often are not expert in the field and do not prioritise it. The projects are usually driven by the community energy group but this has to be mediated through the charity to the funder which slows down and complicates the process.

## **CONTACTS**

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## **FURTHER INFORMATION**

Community Energy England (CEE) was established in 2014 to provide a voice for the community energy sector, primarily in England. Membership totals 270+ organisations. Many of the member organisations are community energy groups, but membership extends across a wide range of organisations that work with and support the community energy sector.

[www.communityenergyengland.org](http://www.communityenergyengland.org)

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[https://communityenergyengland.org/files/document/484/1615989181\\_CommunityEnergy-StateoftheSector2020Report.pdf](https://communityenergyengland.org/files/document/484/1615989181_CommunityEnergy-StateoftheSector2020Report.pdf)

<sup>4</sup> [https://drive.google.com/file/d/1BhI6fB4\\_AS68OC1ClksKBMEzqeM2z2A/view?usp=sharing](https://drive.google.com/file/d/1BhI6fB4_AS68OC1ClksKBMEzqeM2z2A/view?usp=sharing)